

Cal Poly Budgets and Funds

To understand the budget process at Cal Poly it is helpful to know that the University receives funding from a number of different sources, that these funding sources are controlled by use of accounting entities referred to as "funds," and that all of these resources are the property of the State of California. All fiscal resources administered by the University are covered by state laws and CSU policies.

While they are closely affiliated with the University and are regulated by CSU policies, the Cal Poly Corporation, Cal Poly Foundation, and the Cal Poly Housing Corporation, are separate, private, non-profit, corporations organized consistent with the California Education and Corporation Codes. The assets and revenues of auxiliary organizations are not the property of the State of California. The Associated Students, Inc. is also a recognized auxiliary organization and has been organized as a private non-profit corporation, but the ASI has a coincident charter under the Education Code as CSU student body organization that binds it closer to the University.

The single largest single source of funding for the University is state tax revenues appropriated by the state legislature for support of the CSU. State tax revenues appropriated by the state legislature for CSU construction projects are recorded in various Capital Outlay funds created by the Office of the State Controller. Other sources of funding are student fees collected under authority granted by the state legislature and the CSU Board of Trustees, financial aid funds administered in accordance with Federal regulations, and so forth.

Effective with the 2007/08 fiscal year (01 July 2007), state legislation granted CSU greater fiscal autonomy which enabled the CSU to assume the functions formerly performed by the Office of the State Controller and the Office of the State Treasurer for all fiscal resources, exclusive of legislative appropriations for Capital Outlay and projects financed with the proceeds from the sale of CSU Systemwide Revenue Bonds. With this authority, the CSU replaced the state General Fund with the CSU Operating Fund. CSU also replaced all other non-Capital Outlay fund entities formerly controlled by the State Controller with CSU funds (housing, parking, continuing education, and so on). This enhanced fiscal autonomy was an historic development for the CSU. However, it has not significantly changed budgeting for Cal Poly departments and colleges. One obvious change for departments is that, unlike the former state General Fund process, the PeopleSoft Fund Chartfield value for the CSU Operating Fund (SL001) no longer changes every fiscal year.

It is helpful to remember that the term "funds" is used in different ways. Sometimes funds simply refers to money or revenues (i.e. a funding source). Other times funds describes how these monies or revenues are reported and controlled, such as the CSU Operating Fund, Continuing Education Revenue Fund, Lottery Fund, and so on. In the latter case, it is important to know that funds are accounting entities and that they are created, defined, and abolished by acts of the state legislature and or CSU Office of the Chancellor. Cal Poly budget rules are organized to conform to state and CSU policies for these fund entities. Following is a partial listing of the CSU fund entities administered by the University.

CSU Operating Fund (effective FY 2007/08)

The CSU Operating Fund is the main operating fund for the university. The CSU Operating Fund is used to record state tax revenue and student fees. The state tax revenue portion, which is annually allocated by the California Legislature to the CSU, is the largest single source of funds in the CSU Operating Fund. A secondary source of funds is student fees such as the CSU State University Fee, Academic fee, Health Services fee, and other fees. Please refer to the CSU Budget Process page for more details on the CSU Operating Fund and the budget process. The primary purpose of the CSU Operating Fund is to record revenues and expenditures for state-supported instruction and related programs.

General Fund (replaced by the CSU Operating Fund effective with FY 2007/08)

Lottery Education Fund

The funding source is cash generated from the sale of California State Lottery tickets, a portion of which is allocated to CSU campuses.

Dormitory Revenue Fund-Housing

Revenues are generated from license fees paid by dormitory residents and must be used exclusively for the self-supporting housing program.

Dormitory Revenue Fund-Student Union

Revenues are generated from the mandatory University Union fee paid by all students and are used exclusively for the self-supporting Julian A. McPhee University Union facilities and related programs. Most of the facility operations and revenues associated with the University Union are administered under a lease-operating agreement. The Associated Students, Inc. is the lease-operator.

Parking Revenue Fund

Parking Revenue Funds are generated from the sale of parking permits and fines paid for citations issued. Parking permit revenue must be used to maintain parking lots and parking staff, while citation income must be used for administration of citations and alternate transportation.

Continuing Education Revenue Fund (CERF)

These sources are generated by student fees for enrollment in Continuing Education courses. Funds must be used for self-supporting instruction in the Continuing Education program.

Capital Outlay

The two sources of funds for CSU capital outlay programs are state tax revenues appropriated by the state legislature and or the proceeds from the sale bonds (general obligation bonds, lease-revenue bonds). This funding is allocated to the University as either Minor Capital Outlay (projects of \$400,000 or less) or Major Capital Outlay (projects greater than \$400,000). These budgets must be used for the construction projects specified and is administered through the Office of the State Controller.

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